

~~CONFIDENTIAL~~

16 May 1956

ATTN : Chief, Information Requirements Staff  
THRU : 25X1A9a  
Chief, Services Division  
Chief, Trade Branch

Requirements on CRR #9890

1. Please give any information which would indicate why the contract for the engineering survey for reconstruction of the Hejaz Railroad was cancelled recently at Saudi Arabia's insistence despite the fact that Saudi Arabia presumably had been represented on the Hejaz Railroad Reconstruction Committee which awarded the contract to CEKOP last December.

Specifically, answers are desired for the following questions with as much detail as possible including supporting reasons for any opinions expressed:

a. Had there been an attempt by either Jordanian or Syrian elements to award the contract to the Polish firm in the face of stated Saudi opposition? If so, identify the elements and state whether they were motivated primarily by relative costs or by a determination to assert independence from western sources.

b. Did the Jordanian and Syrian members of the Committee express an awareness of the fact that the great discrepancy between CEKOP's bid and those of western firms might be due to Poland's willingness to take an economic loss on the contract for the political gain involved?

c. What settlement is to be made with CEKOP for services already rendered, i.e., how much must be paid and how is the cost to be distributed?

2. What are the attitudes of the governments of Saudi Arabia, Jordan and Syria toward acceptance of financial and technological assistance from Sino-Soviet Bloc countries? Are these dissenting views held by influential elements of these governments?

3. Have you information concerning participation by Sino-Soviet Bloc firms in any other industrial or engineering projects within Saudi Arabia or Jordan? If so, please give the following information about the project (s): location; description; total cost; cost of materials and services coming from the Bloc; payment terms (i.e., whether cash or deferred; interest rate and period if deferred; currency or products); numbers and types of Bloc personnel involved.

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RR/S/TF: [redacted] (16 May 56)

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